

**COUNTY OF FAUQUIER, VIRGINIA**

**Exhibit 33**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities**

**Discretely Presented Component Unit – School Board**

**Fiscal Year Ended June 30, 2005**

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**Net change in fund balances - discretely presented component unit - School Board** \$ (135,529)

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense, which is not a use of current financial resources. This is the amount by which capital outlays exceeded depreciation in the current year.

Capital outlays	\$ 5,320,019	
Depreciation	<u>(2,508,096)</u>	2,811,923

In the statement of activities, only the gain (loss) on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold. (130,712)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount reflects the change in accrued leave during the current year. (127,926)

**Change in net assets of governmental activities** \$ 2,417,756